

HUNGARY

Agri-food chain integration & quality

Location

Hódmezővásárhely

Programming period

2014 – 2020

Priority

P3 – Food chain & risk management

Measure

M04 – Investments in physical assets

Funding (EUR)

Total budget 400 000
EAFRD 160 000
National/Regional 40 000
Own funds & loan 200 000

Project duration

2018 – 2020

Project promoter

Péter Dávid Kis family farm

Contact

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Website

<https://beaverfield.hu/>

A producer of organic arable crops used investment support from the Hungarian Rural Development Programme (RDP) to build an innovative storage facility and increase the competitiveness of his farm.

Summary

Organic farming is very dynamic in Hódmezővásárhely, southern Hungary where Péter Kis' family farm is located. The farmer cultivates 140 hectares of organic arable crops. However, his harvest could not be cleaned or stored in the nearby silos, which use conventional methods to prevent crop loss. Péter Kis was therefore obliged to sell his crops unprocessed at a low price immediately after harvesting them.



To reverse this income loss and add value to his crops, RDP support was used to build an innovative storage facility with cooling technology suitable for organic crops. A crop cleaner, bridge scale, and forklift were also purchased.

Results

The new storage facility, with its cooling technology, is very efficient and allows the farmer to store his harvest without losses.

By purchasing a cleaning machine, the farm now sells its cleaned crops at a higher price. This has increased and stabilised the farm's income.

Thanks to this investment the farmer hired one full-time employee.

Lessons & Recommendations

- ❑ This project demonstrates that investing in organic farming can increase farm income and strengthen the farm's position in the value chain.
- ❑ For larger complex investments, in Hungary it is recommended by the beneficiary to hire a consultant to prepare the RDP application.
- ❑ The location selected for the facility had to be changed due to restrictions on land use. The lesson here is to fully investigate all the legal aspects of planned investments at the planning stage.

Context

Péter Kis is a farmer in Hódmezővásárhely, southern Hungary. In 2002, he began farming arable crops on 12 hectares of land. Each year he expanded his farm a little and converted parts of it to organic production. He currently farms 170 hectares of which 140 hectares are certified organic, growing sunflower, spelt, corn, vetch, and einkorn wheat. The remaining 30 hectares are used for the conventional farming of wheat, beer barley, sunflower, corn and lucerne.

The lack of an adequate storage facility to store organic crops was a major obstacle. Péter was obliged to sell his crops immediately, or pay for a storage service because the conventional storage facilities in his area could not clean organic crops. Thus there was a high risk of crop loss due to molds, toxins and pests.

Péter decided to set up his own storage to tackle crop loss by using a cooling technology to keep the temperature at 13-15 degrees. He learned about this innovative approach from an organic farmer in Bükk, in north-east Hungary.

Objectives

This investment project aimed at:

- restructuring the farm's production process and adding value to its organic crops.
- increasing the farm's productivity by reducing crop losses.
- promoting organic farming in the area and contribute to sustainable food production.
- creating employment and new business opportunities.

Activities

The RDP funds allowed Peter to build a 600 m² storage facility with cooling technology that can store 1 000-2 000 tons of organic crops, depending on the type. The farmer also purchased a crop cleaner, a bridge scale, and a forklift.

Main results

The new storage facility with the cooling technology is very efficient and allows harvested crops to be stored without losses.

By purchasing the crop cleaner, the farm can sell his processed crops at a higher price. This increased and stabilised the farm's income.

The farm already provides employment to four members of the family and thanks to this RDP investment support, they have employed one additional full-time worker.

The farm hosts university interns to raise awareness about this innovative approach. The storage facility is now the subject of two ongoing research theses.

Organic farming is growing in the area and other organic farmers now ask to store their crops in Peter's facility for a fee. Given this increasing market demand, he has decided to submit another application for RDP support to build another 900m² of storage space. The new building will include a 700 m² refrigerated section and 200 m² of covered storage space.

Key lessons

This project demonstrates that investments in organic farming can increase a farm's income and strengthen the producer's position in the value chain.

The farmer has a degree in consulting, and originally prepared funding applications by himself. However, since this was a large and complex investment, he hired a specialist application writer to prepare the bid and he would recommend this as best practice for Hungary.

The location for the facility had to be changed when it was discovered that the originally planned location was protected by law to be used for agricultural growing only. The lesson here is to fully investigate all the legal aspects of planned investments at the planning stage.

Additional sources of information

n/a